

Report on the

Alabama Statewide 911 Board

State of Alabama

Montgomery, Alabama

October 1, 2015 through September 30, 2017

Filed: December 28, 2018



Department of Examiners of Public Accounts

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Honorable Rachel Laurie Riddle
Chief Examiner of Public Accounts
Montgomery, Alabama 36130

Dear Madam:

Under the authority of the *Code of Alabama 1975*, Section 41-5A-19, as added by Act Number 2018-129, we submit this report on the results of the examination of the Alabama Statewide 911 Board for the period October 1, 2015 through September 30, 2017.

Sworn to and subscribed before me this
the 13 day of December, 20 18.

Kelly D. Maahews
Notary Public

Sworn to and subscribed before me this
the 13 day of December, 20 18.

Kelly D. Maahews
Notary Public

Respectfully submitted,

Rodney Wagstaff

Rodney Wagstaff
Examiner of Public Accounts

Gerald Dedon

Gerald Dedon
Examiner of Public Accounts

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Department of **Examiners of Public Accounts**

SUMMARY

Alabama Statewide 911 Board October 1, 2015 through September 30, 2017

The Alabama Statewide 911 Board (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 11-98-1 through 11-98-15. The Board was created by Act Number 293, Acts of Alabama, to create a single statewide emergency service charge applicable to all voice services provided within the state, collect the emergency telephone service charge, and distribute the funds collected from the service charge to the communication districts and CMRS (Commercial Mobile Radio Service) providers.

This report presents the results of an examination of the Board and a review of compliance by the Board with applicable laws and regulations of the State of Alabama. This examination was conducted in accordance with the requirements of the Department of Examiners of Public Accounts under the authority of the *Code of Alabama 1975*, Section 41-5A-12, as added by Act Number 2018-129. Our examination was performed for the purpose of determining whether the public officers, agents, and employees of the Board properly and lawfully accounted for all money and other public assets or resources received, disbursed, or in the custody of the Board. Our examination included determining compliance by the Board with state laws and regulations that pertain to financial transactions; personnel; safeguarding of state-owned assets, property, and resources; information dissemination, processing, and retention; and official actions, rulemaking procedures, and meetings. As a part of our examination, we also reviewed internal control policies and procedures relating to the areas listed above. Our examination did not encompass managerial and operational matters, such as whether the Board accomplished its mission or its regulatory, enforcement, investigative, or other oversight activities in an efficient, fair, timely, or legal manner.

Findings are numbered and reported by the examination period in which the finding originally occurred.

The following instances of noncompliance with State laws and regulations and other matters were found during the examination as shown on the Schedule of State Legal Compliance and Other Findings and are summarized below.

CURRENT FINDINGS

- 2017-01 The Board did not verify employees’ eligibility through E-Verify.
- 2017-02 Relates to the Board purchasing unallowable items with the Board’s credit card.

- 2017-03 Relates to the Board paying for legal services in excess of the rate specified in the contract.
- 2017-04 Relates to the Board not adopting policies and procedures to fund advisory services and training.
- 2017-05 Relates to the Board failing to submit board member vacancies to the Secretary of State in a timely manner.

UNRESOLVED PRIOR FINDINGS

- 2015-01 Wireless, wired and Voice Over Internet Protocol (VOIP) carriers did not submit 911 charges collected from its subscribers according to the Board's statutes and administrative rules.
- 2015-08 Employees did not comply with the travel law for in-state travel.
- 2015-09 Employees did not comply with the travel law or guidelines for out-of-state travel.
- 2015-11 Lack of oversight was noted for credit card purchases by the Board employees.
- 2015-12 Invoices submitted by the contract accountant did not include itemized receipts for expenses.
- 2015-13 The Board paid sales taxes for items purchased, although state agencies are made exempt by state law from payment of the sales taxes.
- 2015-14 Expenditures are not coded correctly in the Board's accounting records.

As reflected on Exhibit 3, charges were made against a former employee who charged unallowable in-state and out-of-state travel expenses in the amount of \$1,776.40 on the Board's credit card. Official demand was made on the former employee to repay this amount; the former employee declined to pay the amount. The former employee failed to appear at a meeting before the Chief Examiner to show just cause as to why these charges should be relieved; therefore, relief was accordingly denied as evidenced by the Order of the Chief Examiner contained in this report. The charges remaining due and unpaid, this report will be certified to the Attorney General for collection.

Board members and the Executive Director were invited to an exit conference held on October 31, 2018. Individuals in attendance were Evelyn Causey, Board Chair; Larry J. Fisher, Secretary/Treasury; Leah Missildine, Executive Director; Adam Brown, Deputy Director; and Ron Cooley, Financial Analyst, along with Maria L. Catledge, Director; Robin Hutcheson, Audit Manager; Jason Paulk, Chief Legal Counsel; Rodney Wagstaff, Examiner, and Gerald Dedon, Examiner, from the Department of Examiners of Public Accounts.



Department of **Examiners of Public Accounts**

COMMENTS

Alabama Statewide 911 Board October 1, 2015 through September 30, 2017

The Alabama Statewide 911 Board (the “Board”) operates under the authority of the *Code of Alabama 1975*, Sections 11-98-1 through 11-98-15. The Board was created by Act Number 293, Acts of Alabama, to provide a consistent funding mechanism in a single agency to continue implementation of 911 and Enhanced 911 services in Alabama through a single, statewide emergency service charge applicable to all voice services provided in the state. The charge is to be collected from wireline, wireless and VOIP service providers for each connection and amounts collected are to be distributed to Emergency Communications Districts (ECDs) and others as set out by statute.

As of September 2012, prepaid wireless customers are required to pay the fee at the point-of-sale. The sellers remit the fee to the Department of Revenue for distribution to the Board.

Emergency Communications Districts are political subdivisions of the state that were created to establish, operate, maintain and replace the state’s emergency communication system, including a wireless E-911 system. Wireless E-911 service is achieved through coordination of the ECDs and the wireless service providers. As of September 30, 2017 there were eighty-seven ECDs in Alabama, with at least one per county and 214 providers of wireline, wireless, and VOIP services within the state.

The Board is comprised of thirteen members appointed by the Governor and subject to confirmation by the Senate. The members must reside in different congressional districts. The members serve four-year terms and may continue to serve until their successors are appointed and qualified.

- Seven members recommended by the Alabama Association of 911 Districts, one from each congressional district.
- Two members recommended by CMRS providers licensed to do business in Alabama.
- Two members recommended by incumbent local exchange carriers operating in Alabama (not from the same local exchange carrier).
- Two members recommended by cable companies that provide interconnected VOIP services in Alabama (not from the same cable company).

The Executive Director, who is appointed by the Board, supervises the day-to-day operations of the Board. The Executive Director serves at the pleasure of the Board.

The Board operates from the following checking accounts:

- **Revenue Account** – Receives and distributes the 911 service charge collected by service providers and remitted to the Board.
- **Operating Account** – The Board receives a monthly transfer from the revenue account of 1% of the amount received to fund the Board operations.
- **Payroll Account** – Monies are transferred from the operating account to cover the salaries and benefits of the employees.
- **Clearing Account (Cost Recovery)** – Receives up to 20% of the 911 service charges remitted to the Board by wireless providers to pay for actual and direct costs incurred by commercial radio service providers in complying with wireless E-911 service requirements established by the FCC Order.
- **Alabama Department of Public Examiners Account** – Payments for the annual audits of the local ECD districts.

The Board owned non-consumable personal property consisting of automobiles, office furniture, computers and equipment. A comparison was done of non-consumable personal property in the custody of the Board with property records maintained by the Property Inventory Division of the State Auditor's Office. No discrepancies were noted.

Schedule of State Legal Compliance and Other Findings

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
2017-01	<p><u>Finding:</u> The Board did not verify four employees' employment eligibility through E-Verify by the third business day after the employees started work.</p> <p>The <i>Code of Alabama 1975</i>, Section 31-13-15(b) states, "Effective April 1, 2012, every business entity or employer in this state shall enroll in E-Verify and thereafter, according to federal statutes and regulations governing E-Verify, shall verify the employment eligibility of the employee through E-Verify. A business entity or employer that uses E-Verify to verify the work authorization of an employee shall not be deemed to have violated this section with respect to the employment of that employee."</p> <p>Furthermore, the <i>E-Verify User Manual, Section 2.2</i> states, "E-Verify cases must be created no later than the third business day after the employee starts work for pay."</p> <p><u>Recommendation:</u> The Board should verify the employment eligibility of all employees through E-Verify within three business days after the employee starts work for pay.</p>
2017-02	<p><u>Finding:</u> The Board expended \$2,348.53 for purchases other than administrative expenses and grants. According to credit card statements reviewed for the examination period, the Board purchased the following items with Board funds:</p> <ul style="list-style-type: none"> • Candy/Cookies/Crackers/Chips - \$155.86 • Coffee - \$436.04 • Creamer - \$148.41 • Sugar/Sweetener - \$122.33 • Tea Pods - \$18.48 • Water - \$58.01 • Personal Items (tissue/hand sanitizer/soap) - \$111.27 • Spoons/Forks/Plates/Cups - \$116.00 • Coleman Wheeled 42 Can Cooler - \$49.99 • DAX Genova Frame - \$22.69 • Orbit 3 Piece Weekender Duffel Bag Set - \$39.99 • Movie Rack - \$10.43 • AMC Festival 16 Movie Theater - \$8.78 • Fast Food Purchases - \$92.68 • Meals for presentations, training sessions and meetings with contractors - \$957.57.

Schedule of State Legal Compliance and Other Findings
For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Finding Continued:</u> The Board's statute, <i>Code of Alabama 1975</i>, Section 11-98-5.2(b) states, "Effective October 1, 2013, there shall first be deducted, no more than one time during each calendar month, from the total amount of the statewide 911 charges paid over to the 911 Board during such month, a sum not to exceed one percent of the total amount, to be applied by the 911 Board <i>exclusively for payment of administrative expenses</i> theretofore incurred by it and, at the board's discretion, the awarding of additional operational grants to districts outside of the other distribution criteria in this subsection upon a showing of hardship." (Emphasis added)</p> <p><u>Recommendation:</u> The Board should use funds for the payment of administrative expenses and awarding grants and not for personal use items.</p>
2017-03	<p><u>Finding:</u> The Board reimbursed an attorney for legal services at a rate in excess of the rate specified in the contract. The Board reimbursed the attorney at an hourly rate of \$336.02 instead of the \$195.00 per hour rate approved by the Governor, resulting in an overpayment of \$1,523.02.</p> <p>Executive Order Number 51 states, "BE IT ORDERED that no legal contracts for any state agency shall exceed the rate of one hundred and ninety five dollars (\$195) per hour, unless it falls within an exception stated herein and is approved by the Governor."</p> <p><u>Recommendation:</u> The Board should ensure that contract attorneys are reimbursed at the rate per hour set by Executive Order 51 and specified in the contract, or obtain the Governor's approval for amounts exceeding \$195 per hour. The Board should recover the overpayment from the attorney.</p>

Schedule of State Legal Compliance and Other Findings
For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
2017-04	<p><u>Finding:</u> The Board has not adopted a rule in accordance with the Alabama Administrative Procedure Act to establish policies and procedures to fund advisory services and training for districts.</p> <p>The <i>Code of Alabama 1975</i>, Section 11-98-4.1(e)(4) states, regarding powers and duties of the Board, “To establish policies and procedures, adopted in accordance with the Alabama Administrative Procedure Act, to fund advisory services and training for districts and to provide funds in accordance with these policies and procedures to the extent funds are available.”</p> <p><u>Recommendation:</u> The Board should adopt a rule to establish policies and procedures to fund advisory services and training for districts.</p>
2017-05	<p><u>Finding:</u> The Board did not notify the Secretary of State of vacancies occurring as a result of the expiration of the terms of five board members at least 45 days before the terms expired. Five board members’ terms expired July 18, 2016 and the notices were submitted June 28, 2016.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-14-17(d)(1) provides that, “The chair of an existing board shall notify the Secretary of State by electronic means of a vacancy scheduled to occur on the board as a result of the expiration of a term at least 45 days before the vacancy occurs.”</p> <p><u>Recommendation:</u> The Board should report vacancies at least 45 days before the expiration of the member’s term.</p>

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

UNRESOLVED PRIOR FINDINGS

Ref. No.	Finding/Noncompliance
2015-01	<p><u>Prior Finding:</u></p> <p>Wireless, wired and VOIP carriers did not submit 911 charges collected from its subscribers according to the Board’s statutes and administrative rules. Wireless, Wired, and VOIP carriers are required by statute to submit to the Alabama Statewide 911 Board the 911 service charge collected from its subscribers along with the monthly remittance reporting form. In reviewing the payments and remittance forms from the carriers from October 1, 2013 through September 30, 2015 of the examination period the following errors were noted:</p> <ul style="list-style-type: none">• Twenty-nine carriers did not submit monthly remittance forms for 188 months.• Twenty-nine carriers did not submit remittance forms and payments for the service charges collected for 79 months.• Eleven carriers did not remit forms and collected charges in a timely manner 59 times. Payments were submitted 1 to 398 days after the due date. <p>The <i>Code of Alabama 1975</i>, Section 11-98-5, states “(b) A voice communications service provider shall remit the statewide 911 charge collected by it under this section to the 911 Board, utilizing such electronic or paper reporting forms that may be adopted by the 911 Board by rule. The provider <i>shall remit the collected charges by the end of the calendar month following the month the provider received the charges from its subscribers.</i>”</p> <p><i>Administrative Rule</i> 585-X-4-.02(1) states, “Fees shall be submitted to the Alabama Statewide 9-1-1 Board by the end of the calendar month following the month the provider received the service charge from its subscribers, <i>together with a monthly report</i> of the number of service identifiers in each emergency communication district (ECD).”</p> <p><u>Current Status:</u></p> <ul style="list-style-type: none">• Twenty-four carriers did not submit remittance forms and payments for the service charges collected for eighty-one months.• Seven carriers did not remit forms and collected charges in a timely manner twenty-six times. Payments were submitted up to sixty days after the due date. <p><u>Recommendation:</u></p> <p>It is again recommended that the Board should implement procedures to ensure that carriers are remitting the forms and payments as required by statute.</p>

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
2015-08	<p><u>Prior Finding:</u></p> <p>Two Board employees traveled in-state twenty-two times. Travel claims were not submitted for ten of the trips. Travel expenses were paid using the Board's credit card. We noted the following errors:</p> <p><u>Employee #1</u></p> <ul style="list-style-type: none"> Charged actual expenses for meals and lodging in lieu of \$75.00 overnight per diem seven times resulting in overpayments totaling \$866.70 Purchased meals while remaining in the employee's base city on two occasions totaling \$85.35 <p>As a result of charging actual expenses, the employee received an additional \$952.05 for travel expenses above amounts allowed by state law.</p> <p><u>Employee #2</u></p> <ul style="list-style-type: none"> Charged actual expenses for meals and lodging in lieu of \$75.00 overnight per diem seven times resulting in overpayments totaling \$812.73 Overpaid \$135.68 for mileage expenses Underpaid \$10.48 for mileage expenses <p>As a result of charging actual expenses, the employee received an additional \$937.93 for travel expenses above amounts allowed by state law. When notified of the discrepancies, the employee reimbursed the Board for the overpayments.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-7-20 (a) states, "Except as otherwise provided in Section 36-7-21, the amount allowable to a person traveling inside the State of Alabama in the service of the state or any of its departments, institutions, boards, bureaus, commissions, councils, committees, or other like agencies for expenses other than transportation may be fixed by the Governor at not less than seventy-five dollars (\$75) per day, and this amount shall be uniform in operation as to all persons traveling within the state on official business."</p> <p>The <i>Code of Alabama 1975</i>, Section 36-7-21(a) states, "Persons traveling in the service of the state or any of its departments, institutions, boards, bureaus, commissions, councils, committees, or other agencies, outside the State of Alabama or within the State of Alabama for purposes of attending or assisting in hosting a convention, conference, seminar, or other meeting <i>of a national organization of which the state is a dues-paying member</i> that is held within the state shall be allowed all of their actual and necessary expenses in addition to the actual expenses for transportation. In-state travel authorized under this section is subject to the same documentation requirements as out-of-state travel. Except as provided in subsections (b), (c), (d), and (e), the travel shall first be fully authorized in writing by the Governor."</p>

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Prior Finding Continued:</u> <i>Attorney General Opinion</i> 80-144 states, “It has always been the position of the Department that a state employee should be reimbursed for his travel from his base to his place of assignment and return to his base or from his home to his place of assignment and return to his home, <i>whichever is less</i>. It seems that to rule otherwise would allow a state employee a profit in traveling for the benefit of the state rather than allowing him reimbursement for expenses.”</p> <p><u>Current Status:</u> <u>Employee #1</u></p> <ul style="list-style-type: none"> Charged actual expenses for meals and lodging during an in-state conference in lieu of \$75.00 overnight per diem one time resulting in additional expenses of \$1,594.22. <p><u>Employee #2</u></p> <ul style="list-style-type: none"> Charged actual expenses for meals and lodging in lieu of \$75.00 overnight per diem four times resulting in additional expenses of \$245.49. The employee reimbursed the Board for the additional expenses. <p><u>Recommendation:</u> It is again recommended that the Board should comply with all state laws and regulations pertaining to reimbursement of travel expenses. Claims for reimbursement of travel expenses should be reviewed for accuracy, completeness, and compliance with state law and regulations before claims are submitted for payment.</p>
2015-09	<p><u>Prior Finding:</u> Two Board employees traveled out-of-state fifteen times during the examination period. The employees submitted travel claims for three of the fifteen trips. Travel claims were not submitted for eleven of the trips and one travel claim was submitted to claim mileage expenses only. For eleven of the fifteen trips we could not determine if the Board obtained the Governor’s approval for traveling out-of-state.</p> <p>Travel expenses were paid using the Board’s credit card. We reviewed the Board’s credit card statements to determine if travel expenses complied with the out-of-state travel requirements according to the state’s Travel Law and travel guidelines established by the Department of Finance. We noted the following discrepancies:</p> <ol style="list-style-type: none"> We reviewed eighty meal receipts along with the monthly credit card statements. <ul style="list-style-type: none"> Fifty-two of the receipts were not itemized to indicate what was purchased totaling \$2,397.13.

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Prior Finding Continued:</u></p> <ul style="list-style-type: none"> • One of the meals on the statements did not have a receipt. • The daily per diem for meals was exceeded sixteen times resulting in overpayments totaling \$347.20. <ol style="list-style-type: none"> 2. According to meal receipts reviewed for one traveler, the traveler purchased four meals on one day in a span of four hours and twenty minutes. The total cost of the meals purchased was \$131.43. The daily per diem allowed for meals for the day was \$46.00. 3. Tips paid for taxi service exceeded the 15% maximum allowed by the out-of-state travel guidelines nineteen times for a total of \$63.81. Two of the charges for taxi services did not have receipts. 4. One receipt indicated that the traveler purchased alcohol in the amount of \$6.60. 5. Two charges for hotel expenses had no documentation from the hotel. 6. Expenses totaling \$498.28 were for the following unallowable expenses: <ul style="list-style-type: none"> ▪ Travelers upgraded their airline seats to Comfort Seats three times resulting in additional charges totaling \$196.00. ▪ Flight Protection - \$71.00 ▪ Late check out of hotel - \$75.00 ▪ Golf Outing (not during days of the conference) - \$150.00 ▪ Drug store purchase without receipts - \$4.28 <p>As a result of the above errors, one employee incurred an additional \$775.96 for travel expenses. The other employee received an additional \$194.82 above amounts allowed by state law. When notified of the discrepancies, the traveler reimbursed the Board \$194.82 for the overpayments.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-12-2 states, “All public officers and servants shall correctly make and accurately keep in and for their respective offices or places of business all such books or sets of books, documents, files, papers, letters and copies of letters as at all times shall afford <i>full and detailed information in reference to the activities</i> or business required to be done or carried on by such officer or servant and from which the actual status and condition of such activities and business can be ascertained without extraneous information, and all of the books, documents, files, papers, letters, and copies of letters so made and kept shall be carefully protected and safely preserved and guarded from mutilation, loss or destruction.”</p>

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Prior Finding Continued:</u></p> <p>The out-of-state travel form which is required by anyone traveling out of Alabama in the service of the state requires, “<i>Itemized statement of necessary</i> traveling expense incurred.”</p> <p>The Department of Finance out-of-state travel website at www.https://oos.alabama.gov states “BEFORE submitting travel online please have the following information confirmed: 1. Review and follow state laws and <i>travel guidelines</i> and 3. Acquire your business agenda, schedule and/or itinerary.”</p> <p>Travel guidelines:</p> <ul style="list-style-type: none"> • Require an agenda • For airline flights extras are not covered, preferred seating, early boarding, etc. • Do not allow “sightseeing excursions, <i>golf outings</i>, etc. to the beginning/ending of trip” • When driving, “if business participation ends after 2 pm, may return the same day, or may return the following day but departure has to be no later than 8 am” • Taxi tips 10 - 15% max • Meals: <ul style="list-style-type: none"> ▪ Place city cap amount to each meal claim. ▪ Meals require an itemized and proof of payment receipt ▪ Meals are reimbursed for actual cost amount up to the stated cap ▪ Tips are included in the cap amounts ▪ Any missing receipt requires explanation and missing meal form • Explanation of other expenses • Signatures required: <ul style="list-style-type: none"> ▪ Traveler name, signature and date ▪ Agency Director signature and date ▪ Governor signature and date <p><u>Current Status:</u></p> <p><u>Employee #1</u></p> <ul style="list-style-type: none"> • Six meals totaling \$209.43 did not have itemized receipts. • Charged an unallowable expense for airline seat upgrade for \$29.00. • Exceeded the daily per diem meal allowance one time by \$33.84. • Exceeded recommended tip allowance of 20% four times for a total of \$7.46. <p>As a result, the employee incurred an additional \$70.29 for travel expenses.</p>

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Prior Finding Continued:</u></p> <p><u>Current Status:</u></p> <p><u>Employee #2</u></p> <ul style="list-style-type: none"> • Nine meals totaling \$303.22 did not have itemized receipts. • Charged unallowable expenses for airline seat upgrades of \$136.00 and travel insurance for \$31.74. • Exceeded the daily meal allowance two times totaling \$72.56. • Exceeded recommended tip allowance of 20% four times for a total of \$3.42. <p>As a result, the employee incurred an additional \$243.72 for travel expenses. The employee reimbursed the Board for the additional expenses.</p> <p><u>Recommendation:</u></p> <p>The Board should review all travel claims for accuracy, completeness, and compliance with the state travel laws.</p>
2015-11	<p><u>Prior Finding:</u></p> <p>The Board's employees use a credit card to pay travel expenses and to buy office supplies and equipment. The Board has little to no oversight of how the employees utilize the card. During the audit period there were 31 credit card statements with 581 charges totaling \$82,459.09. Of these, 86 charges totaling \$6,664.85 had no itemized receipt or invoice attached.</p> <p>A credit card statement only shows that <i>something was paid for</i>; it does not show <i>what was purchased</i>. Without the detail of an itemized receipt or invoice, there is no way to determine if the expenditure was for an allowable purpose.</p> <p>The <i>Code of Alabama 1975</i>, Section 36-12-2 states, "All public officers and servants shall correctly make and <i>accurately keep</i> in and for their respective offices or places of business all such books or sets of books, documents, files, papers, letters and copies of letters as at all times shall afford <i>full and detailed information in reference to the activities</i> or business required to be done or carried on by such officer or servant and from which the actual status and condition of such activities and business can be ascertained without extraneous information, and all of the books, documents, files, papers, letters, and copies of letters so made and kept shall be carefully protected and safely preserved and guarded from mutilation, loss or destruction."</p> <p>The <i>Code of Alabama 1975</i>, Section 41-4-54 states, "All accounts against the state must be accurately and fully itemized."</p>

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Prior Finding Continued:</u></p> <p><u>Current Status:</u> During the examination period, there were 27 credit card statements containing 617 charges totaling \$68,437.32. Of these, 95 charges totaling \$6,137.03 had no itemized receipt or invoice attached.</p> <p><u>Recommendation:</u> It is again recommended that all receipts and invoices for payments should be accurately and fully itemized and retained by the Board.</p>
2015-12	<p><u>Prior Finding:</u> Monthly invoices submitted by the Board's contract accounting firm did not include receipts to document the following reimbursement requests:</p> <ul style="list-style-type: none"> • Supplies and copies - 24 times totaling \$4,239.79 • Telephone/fax - 24 times totaling \$297.20 • Postage - 22 times totaling \$1,839.74 <p>The <i>Code of Alabama 1975</i>, Section 41-4-54 states, "All accounts against the state must be accurately and fully itemized."</p> <p><u>Current Status:</u> Monthly invoices submitted by the Board's contract accounting firm did not include receipts or travel documents for the following reimbursement requests:</p> <ul style="list-style-type: none"> • Supplies and copies - 18 times totaling \$1,808.76 • Fax and phone - 18 times totaling \$71.00 • Postage - 19 times totaling \$1,565.35 • Travel expenses totaling \$1,671.00 <p><u>Recommendation:</u> It is again recommended that the Board should ensure all invoices from contractors are fully itemized to document all charges.</p>
2015-13	<p><u>Prior Finding:</u> During the period examined, the Board paid \$1,107.46 in sales taxes for items purchased, although state agencies are made exempt by state law from payment of the sales taxes.</p> <p>The <i>Code of Alabama 1975</i>, Section 40-23-4(a)(11) states, "There are exempted from the provisions of this division and from the computation of the amount of the tax levied, assessed, or payable under this division the following:</p> <p style="padding-left: 40px;">(11) The gross proceeds of sales of tangible personal property to the State of Alabama, to the counties within the state and to incorporated municipalities of the State of Alabama."</p>

Schedule of State Legal Compliance and Other Findings

For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Prior Finding Continued:</u> <i>Attorney General Opinion</i> 81-342 to the Alabama Board of Corrections states, “As an arm or agency of the State of Alabama, the Board of Corrections would be exempt on any tangible property purchased by the board, provided the purchases are made in the name of the board, the board's credit is obligated, and the purchased property is paid for with funds belonging to the board.”</p> <p><u>Current Status:</u> During this examination period, the Board paid \$2,525.25 in sales taxes for items purchased.</p> <p><u>Recommendation:</u> It is again recommended that the Board should review all invoices to ensure sales taxes are not being paid. The Board should contact the vendors to establish an exempt status.</p>
2015-14	<p><u>Prior Finding:</u> Expenditures are not coded correctly in the Board’s accounting records. We noted the following errors.</p> <ul style="list-style-type: none"> • Travel reimbursements were paid as a part of and coded as legal fees 5 times. • Legal fees were paid as a part of and coded as travel expenses 1 time. • Court Reporting services were miscoded as office supplies 1 time. • The following charges on the Board’s credit card were found to be incorrectly coded as office supplies: <ul style="list-style-type: none"> ▪ Restaurant charges - 42 times ▪ Transportation charges (flights, taxi, baggage, etc.) - 17 times ▪ Hotel rooms - 7 times ▪ Gas - 18 times ▪ Parking - 7 times ▪ Association dues or registrations - 8 times ▪ Grocery store purchases - 1 time ▪ Car maintenance - 2 times <p>GASB (Government Accounting Standards Board) Statement Number 34, Paragraph 41 states, “Governments should report all expenses <i>by function</i> except for those that meet the definitions of special or extraordinary items. . . As a minimum, governments should report direct expenses for each function. <i>Direct</i> expenses are those that are specifically associated with a service, program, or department and, thus, are clearly identifiable to a particular function.”</p> <p>For the Board to achieve the objective of accountability, financial information must be both relevant and reliable for reasonably informed users.</p>

Schedule of State Legal Compliance and Other Findings
For the Examination Period Ended September 30, 2017

Ref. No.	Finding/Noncompliance
	<p><u>Prior Finding Continued:</u></p> <p><u>Current Status:</u> The Board continued to code expenditures incorrectly in the accounting records. The following errors were noted:</p> <ul style="list-style-type: none">• Travel reimbursements were coded as legal fees 18 times.• The following charges on the Board's credit card were incorrectly coded as office supplies:<ul style="list-style-type: none">▪ Meal expenses - 11 times▪ Travel expenses - 116 times▪ Food purchases - 2 times▪ Gas Expenses - 34 times▪ Dues/Subscriptions - 49 times▪ Rentals - 9 times▪ Postage - 30 times▪ Car Repairs - 7 times <p><u>Recommendation:</u> It is again recommended that the Board should ensure that expenditures are accurately recorded in the accounting records.</p>

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Schedule of Cash Receipts, Disbursements and Balances
For the Period October 1, 2015 through September 30, 2017

	2016-2017	2015-2016
<u>Receipts</u>		
Service Charges Collected	\$ 114,271,364.36	\$ 115,944,882.59
Interest	6,429.33	1,634.72
Other Revenue	7,272.63	6,019.52
Total Receipts	<u>114,285,066.32</u>	<u>115,952,536.83</u>
<u>Disbursements</u>		
Personnel Costs	269,101.92	222,000.41
Employee Benefits	57,131.06	43,863.42
Total Travel	19,950.15	8,535.29
Rentals and Leases	101,357.90	31,025.42
Utilities and Communication	6,455.15	5,270.75
Professional Services	215,627.57	294,038.87
Professional Services (ANGEN Project)	1,732,375.17	661,366.90
Supplies, Materials, and Operating Expenses	97,550.39	180,190.95
Grants and Benefits	378,796.94	431,152.81
Payments to ECDs	109,430,410.42	106,445,097.05
Payments to Providers	1,548,866.16	1,882,441.41
Payments to Examiners of Public Accounts	572,437.50	865,579.50
Total Disbursements	<u>114,430,060.33</u>	<u>111,070,562.78</u>
Excess (Deficiency) of Receipts Over Disbursements	(144,994.01)	4,881,974.05
Cash Balances at Beginning of Year	<u>23,844,158.14</u>	<u>18,962,184.09</u>
Cash Balances at End of Year	23,699,164.13	23,844,158.14
Reserved for ECDs	(10,000,822.20)	(10,087,196.55)
Reserved for Provider Cost Reimbursement	(11,897,811.55)	(9,931,185.36)
Reserved for Examiners of Public Accounts	(60,598.50)	(1,850,729.86)
Reserve for Unpaid Obligations	(2,926.24)	(53,683.74)
Total	<u>(21,962,158.49)</u>	<u>(21,922,795.51)</u>
Available Cash Balances at Year-End	<u>\$ 1,737,005.64</u>	<u>\$ 1,921,362.63</u>

Board Members and Officials
October 1, 2015 through September 30, 2017

Board Members		Term Expires
Hon. Alan Campbell	Chairman	2018
Hon. Evelyn Causey	Member	2019
Hon. Melissa Dove	Member	2020
Hon. Larry Fisher	Member	2020
Hon. Christine Heger	Member	2020
Hon. Charles Hutchens	Member	2019
Hon. J. Frederick Johnson	Member	2019
Hon. John Nettles	Member	2019
Hon. Betty Sanders	Member	2018
Hon. Robert Smith	Member	2020
Hon. Ryan Welty	Member	2020
Hon. Ernie Blair	Member	2016
Hon. Donnie Smith	Member	2016
Hon. Chad Sowell	Member	2018
Hon. Roger Wilson	Member	Deceased

Board Members and Officials
October 1, 2015 through September 30, 2017

Officials

Ms. Leah Missildine

Executive Director

1 Commerce Street
Suite 620
P. O. Box 1790
Montgomery, AL 36102
www.al911board.com

Mr. Jason Jackson

Executive Director

December 2015

Schedule of Charges
October 1, 2015 through September 30, 2017

Person/Official Charged	Date	Local Bank Account	Amount Charged
<u>Directly Charged To:</u>			
Jason Jackson	10/01/2015 - 09/30/2017	Operating Account Wells Fargo Bank	\$ 1,776.40
Total Direct Charges			<u>\$ 1,776.40</u>

Amount Paid	Amount Relieved By Chief Examiner	Amount Unpaid	Description of Charge
\$	\$	\$ 1,776.40	Overpayment of In-State and Out-of-State Travel Expenses
<u>\$</u>	<u>\$</u>	<u>\$ 1,776.40</u>	

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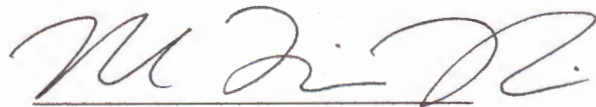
Order of the Chief Examiner

ORDER OF THE CHIEF EXAMINER

**RE: STATEWIDE 911 BOARD
OCTOBER 1, 2015 THROUGH SEPTEMBER 30, 2017**

This matter coming to be heard the 5th day of September, 2018, pursuant to the provisions of the *Code of Alabama 1975*, Section 41-5A-20, as added by Act 2018-129, and the former employee having failed to appear at the hearing before the Chief Examiner, the Chief Examiner, therefore, is of the opinion that the former employee has failed to show just cause why the charges should not be paid. Therefore, relief from these charges is accordingly denied

Entered this the 13th day of September, 2018

A handwritten signature in dark ink, appearing to read 'M. Riddle', written over a horizontal line.

**Rachel Laurie Riddle
Chief Examiner**